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IN THE

Supreme Court of the United States

OCTOBER TERM, 1995

R.J. REYNOLDS TOBACCO COMPANY,
PHILIP MORRIS INCORPORATED,
BROWN & WILLIAMSON TOBACCO CORPORATION,
LIGGETT GROUP, INC.,
LORILLARD TOBACCO COMPANY,
THE COUNCIL FOR TOBACCO
RESEARCH - U.S.A., INC.,
AND THE TOBACCO INSTITUTE, INC.

Petitioners,

v.

THE STATE OF MINNESOTA,
BY HUBERT H. HUMPHREY, III,
ITS ATTORNEY GENERAL,
AND BLUE CROSS AND BLUE SHIELD OF MINNESOTA,

Respondents.

Petition for a Writ of Certiorari to the Supreme Court of Minnesota and the Court of Appeals of Minnesota

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PETITION FOR A WRIT OF CERTIORARI

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QUESTIONS PRESENTED

I. Does a court violate due process when it grants opposing counsel access to extensive non-evidentiary computer databases created by lawyers in anticipation of litigation, when those databases are clearly protected from disclosure by the work product rule?

II. Does the compelled, uncompensated disclosure to opposing counsel of non-evidentiary computer databases, which were created at great expense and with the reasonable expectation that they would be protected against disclosure under the work product rule, amount to an unconstitutional taking of property without just compensation?

PARTIES TO THE PROCEEDINGS

The parties to the proceedings in the Minnesota Court of Appeals and the Minnesota Supreme Court were R.J. Reynolds Tobacco Company; Philip Morris Incorporated; Brown & Williamson Tobacco Corporation; Brown & Williamson Tobacco Corporation as successor to American Tobacco Company; Lorillard Tobacco Company; The Council for Tobacco Research — U.S.A., Inc.; The Tobacco Institute; Liggett Group, Inc.; the State of Minnesota, and Blue Cross and Blue Shield of Minnesota.

Petitioner R.J. Reynolds Tobacco Company ("Reynolds") is wholly owned by RJR Nabisco Inc., which, in turn, is wholly owned by RJR Nabisco Holdings Corporation. Reynolds has the following partly owned subsidiaries: AO ISMA; AO Vostanovienniy Tabak; China-American Cigarette Company Ltd.; Modi RJR Ltd.; R.J. Reynolds-Da Nang Tobacco Co. Ltd.; R.J. Reynolds/M.C. Tobacco Co. Ltd.; R.J. Reynolds Tobacco - Kazakhstan; R.J. Reynolds Tobacco - Kremenchuk; R.J. Reynolds Tobacco - Lviv JSC; Reynolds Manufacturing (Bulgaria) Ltd.; Reynolds Manufacturing (Romania) SRL; RJR-Armavirtabak; Sunrise Biosystems, Inc; Tanzanian Cigarette Co.; RJR-Petro; R.J. Reynolds Tobacco (U.K.) Ltd.; R.J. Reynolds Tobacco (Poland) Ltd.; R.J. Reynolds Berhad; R.J. Reynolds Espana, S.L.; and R.J. Reynolds (Portugal) Empresa Comercial de Tabacos Ltd.

Petitioner Philip Morris Incorporated ("Philip Morris") is a wholly owned subsidiary of Philip Morris Companies, Inc. Philip Morris has no subsidiaries that are not wholly owned.

Petitioner Brown & Williamson Tobacco Corporation ("Brown & Willliamson") is a wholly owned subsidiary of BATUS Tobacco Services, Inc. Brown & Williamson's ultimate corporate parent is B.A.T. Industries, P.L.C. Brown & Williamson has no subsidiaries that are not wholly owned.

Petitioner Liggett Group, Inc. ("Liggett") is wholly owned by BGLS, Inc., which, in turn, is wholly owned by Brooke Group Ltd. Liggett has no subsidiaries that are not wholly owned.

Petitioner Lorillard Tobacco Company ("Lorillard") is wholly owned by Lorillard, Inc., which, in turn, is wholly owned by Loews Corporation. Lorillard has no subsidiaries that are not wholly owned.

Petitioners The Council for Tobacco Research - U.S.A., Inc. and The Tobacco Institute have no parents or subsidiaries.

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PETITION FOR WRIT OF CERTIORARI

R.J. Reynolds Tobacco Company, Philip Morris Incorporated, Brown & Williamson Tobacco Corporation, Liggett Group, Inc., Lorillard Tobacco Company, The Council for Tobacco Research - U.S.A., Inc., and The Tobacco Institute, Inc. respectfully petition for a writ of certiorari to review the judgments of the Minnesota Supreme Court and the Minnesota Court of Appeals in this case.

OPINIONS BELOW

The Order and Memorandum of the District Court for the Second Judicial District, Ramsey County, Minnesota, denying petitioners' motions for protective order and ordering the disclosure of certain portions of petitioners' litigation support databases, is reproduced at pages 4a-18a of the Appendix to this Petition ("Pet. App."). The Order of the Minnesota Court of Appeals, denying petitioners' original petition for writ of prohibition and/or mandamus, is reproduced at Pet. App. 2a-3a. The Order of the Minnesota Supreme Court denying petitioners' petition for review of the decision of the Court of Appeals is reproduced at Pet. App. 1a.

JURISDICTION

The judgment of the Minnesota Court of Appeals denying the petition for writ of prohibition was entered on December 26, 1995. The Minnesota Supreme Court denied discretionary review on February 29, 1996. The jurisdiction of this Court is invoked under 28 U.S.C. § 1257. *See Madruga v. Superior Court*, 346 U.S. 556, 557 n.1 (1954) ("The State Supreme Court's judgment finally disposing of the writ of prohibition is a final judgment reviewable here under 28 U.S.C. § 1257.").

CONSTITUTIONAL AND STATUTORY PROVISIONS INVOLVED

This case involves the Fifth and Fourteenth Amendments to the United States Constitution. The Fifth Amendment provides in pertinent part:

> No person shall . . . be deprived of life, liberty, or property, without due process of law; nor shall private property be taken for public use, without just compensation.

U.S. Const. amend. V.

The Fourteenth Amendment provides in pertinent part:

> [N]or shall any State deprive any person of life, liberty, or property, without due process of law; . . . .

U.S. Const. amend. XIV, § 1.

Rule 26.02(c) of the Minnesota Rules of Civil Procedure is also generally relevant here and provides:

> (c) **Trial preparation: Materials.** Subject to the provisions of Rule 26.02(d) a party may obtain discovery of documents and tangible things otherwise discoverable pursuant to Rule 26.02(a) and prepared in anticipation of litigation or for trial by or for another party or by or for that other party's representative (including the other party's attorney, consultant, surety, indemnitor, insurer, or agent) only upon a showing that the party seeking discovery has substantial need of the materials in the preparation of the party's case and that the party is unable without undue hardship to obtain the substantial equivalent of the materials by other means. In ordering discovery of such materials when the required showing has been made, the court shall protect against the disclosure of the mental impressions, conclusions, opinions, or legal theories of an attorney or other representative of a party concerning the litigation.

Minn. R. Civ. P. 26.02(c) (1995).

STATEMENT OF THE CASE

This case presents issues of mounting importance in modern litigation: whether a trial court is constrained by the Due Process Clause and the Taking Clause of the Constitution from ordering one party to share its attorneys' computerized work product with the opposing party in the case. Lawyers are increasingly using computerized litigation tools in a variety of ways to more effectively represent their clients. This case concerns the use of computer technologies to assist lawyers in performing an old but vital task: organizing client documents that might be pertinent to claims against their client, and compiling information about those documents to assist in their retrieval and analysis. Lawyers and clients have created these databases of information about client documents confident in the expectation that, as non-evidentiary work product derived from documents that (to the extent not privileged) remain fully discoverable, they would be protected against disclosure under the work product doctrine. The decision below eviscerates that expectation by requiring petitioners to share such databases with respondents — without ordering any payment of compensation to those who spent millions of dollars to create and develop those databases.

* * *

Over the past two decades, these petitioners have been named as defendants in a growing number of civil lawsuits relating to the sale and use of tobacco products. In consultation with petitioners' employees, and at a total cost to petitioners in the tens of millions of dollars, petitioners' attorneys designed and developed computerized database systems for each of their clients. These databases consist of computerized records of both objective identifying information (*e.g.*, author, title) and subjective analysis and comments — compiled by or at the direction of petitioners' attorneys — referencing millions of documents selected by these attorneys from their clients' files. The documents referred to in the databases, while singled out by attorneys as potentially significant for pending and anticipated litigation, include many that have not even been requested in the present action. The

databases are used exclusively in the defense of litigation against petitioners; they are not used in the regular course of the petitioners' business. Access to these databases has been restricted to petitioners' attorneys and others working at their direction.

Respondents filed this lawsuit against petitioners in August 1994, seeking to recover the costs of providing medical care to insured and indigent smokers. During initial discovery, respondents learned of the litigation databases described above.

Respondents sought to obtain all of petitioners' databases in their entirety, arguing that the databases would assist them in organizing and analyzing the documents in the case. Respondents also argued that it would be costly and time-consuming for them to design and create their own database drawn from petitioners' documents.

In response, petitioners moved for protective orders on the grounds (1) that the litigation databases were created by counsel in anticipation of litigation and, as such, were work product protected from discovery under Minn. R. Civ. P. 26.02(c); (2) that any compelled disclosure of such databases to respondents would constitute a "taking" of petitioners' property in violation of the Fifth and Fourteenth Amendments to the U.S. Constitution; and (3) that any compelled disclosure of the databases would constitute so radical a departure from well-established work product protections as to violate petitioners' right to due process under the Fourteenth Amendment.

On November 1, 1995, without conducting the *in camera* hearing requested by petitioners, the trial court entered an order that granted in part and denied in part petitioners' motions for protective orders. Pet. App. 6a. The court agreed with petitioners that the databases were attorney work product, but nevertheless held that respondents were entitled to them (excepting only the subjective entries about each document). In support of its order, the trial court explained that the databases would be of considerable utility to respondents in litigating the case — and that respondents should not have to incur the time and

expense of creating their own databases of information on petitioners' documents:

> In this action, millions of documents must be reviewed to sieve the relevant documents from those that constitute the remainder of each party's universe of documents. Much of the reviewing has already taken place over the years by counsel for [petitioners] in response to prior claims.
>
> . . .
>
> . . . . Creation of a new and separate database identifying the nine million documents would be duplicative, time-consuming, and costly.
>
> Because of the enormous volume of documents which may be relevant to the issues of this complex action, there is substantial need to utilize whatever technology exists to efficiently sort and identify documents. There is no equivalent substitute for the databases at this time. Via use of existing databases, objective information can be produced regarding the millions of documents already entered onto the databases, without duplication of efforts and the accompanying delays and expenses.

Pet. App. at 15a-16a. The court did not address petitioners' constitutional arguments.

Petitioners filed an original petition for writ of prohibition and/or mandamus with the Minnesota Court of Appeals, seeking to enjoin the trial court from enforcing its order. Petitioners raised the federal constitutional questions presented here, as well as other issues. The Court of Appeals denied the petition without addressing petitioners' constitutional arguments. Pet. App. at 3a.

On January 25, 1996, petitioners filed with the Minnesota Supreme Court a petition for review of the decision of the Court of Appeals. They again raised the federal constitutional questions presented here. The Supreme Court denied this petition without comment on February 29, 1996. Pet. App. at 1a.

REASONS FOR GRANTING THE WRIT

The issue presented here — the judiciary's authority under the Fifth and Fourteenth Amendments to order a party to share its litigation tools with its opponent — has implications far beyond this case.

For any of three reasons, the decision may well have the practical effect of determining the discoverability of petitioners' litigation databases in many, if not all, of the hundreds of tobacco-related lawsuits pending in state and federal courts around the country. *First*, under the trial court's protective order, material disclosed in discovery, even if designated confidential, can be obtained by counsel in other lawsuits. In fact, the plaintiffs in *Castano v. The American Tobacco Co., et al.*, No. 95-30725 (5th Cir.) a putative class action in federal court in Louisiana on behalf of tens of millions of past and present smokers, are already invoking that decision in an attempt to obtain access to the databases. *Second*, federal and state courts, applying their own work product rules that are drafted much like the Minnesota rules, may rely on the decision below to order production of the databases. And *third*, parties may seek production of the databases in the future on the ground that, as a result of the decision below, petitioners could no longer have any reasonable expectation of privacy in them.

The impact of this decision will, moreover, reach well beyond tobacco litigation. Many other companies whose products or services are the subject of recurrent litigation have, like petitioners, invested large sums of money to create databases of information from documents that may be relevant to such litigation. Indeed, as one observer has noted, "[o]ver the past 10-15 years, computerized document retrieval systems have become commonplace in document-intensive litigations such as massive product liability and antitrust cases." William E. Cwiklo, *Image Management Systems in Litigation Support*, Legal Economics, Nov.-Dec. 1987, at 54; *see also* William E. Cwiklo & Sally J. Lockett, *Building Litigation Support Data Bases*, Legal Assistant Today, March-April 1994, at 92 ("Today, litigation

support databases are common in cases that involve thousands of documents.") Still other companies are considering whether to invest in such databases.

The decision below gives all of these companies cause for concern that they, too, could be ordered to turn over their litigation databases to their adversaries. Just as disclosure of written work product would mean that "much of what is put down in writing [by lawyers] would remain unwritten," *Hickman v. Taylor*, 329 U.S. 495, 511 (1947), disclosure of these non-evidentiary databases may well lead parties to abandon the databases, or not to create them in the first place. It would then become more difficult, time-consuming, and expensive for attorneys to identify relevent documents from a client's files and otherwise to represent their clients effectively. This would significantly impede the truth-finding process, to the detriment of courts and litigants alike. *See* C.J. Poirier et al., *Computer-Based Litigation Support Systems*, 54 UMKC L. Rev. 440, 456-57 (1986) (discovery of litigation support systems would diminish incentives to use such systems and reduce efficiency of litigation process).

I. THE COURT SHOULD DECIDE WHETHER THE DUE PROCESS CLAUSE BARS A TRIAL COURT FROM REQUIRING A PARTY TO TURN OVER ITS COMPUTERIZED LITIGATION DATABASES — CONTRARY TO THE WORK PRODUCT RULES AS UNIVERSALLY RECOGNIZED BY THE STATE AND FEDERAL COURTS — AND THEREBY PROVIDE SUBSTANTIAL ASSISTANCE TO ITS ADVERSARY IN LITIGATION

The order of the Minnesota trial court, which the state appellate courts left undisturbed, amounts to a retroactive nullification of the protection accorded attorney work product. This protection has long been recognized in the case law and rules of the federal and state courts, including the courts of Minnesota. In the circumstances of this case, the impact of that action is severe. At issue are computerized databases created by petitioners' attorneys, at a cost to petitioners of many millions of

dollars, for the sole purpose of defending their clients in litigation. These databases would never have been created if petitioners and their counsel had any reason to believe that the databases would not be protected from disclosure by the work product doctrine.[1]

Further, the Minnesota courts have ordered disclosure of such materials for no other reason than respondents' convenience: respondents want a database, like petitioners' databases, to organize and retrieve petitioners' documents, but respondents do not want to spend their own time or money to create such a database. The courts have thereby required petitioners to provide substantial assistance to their opponents — going far beyond full responses to legitimate discovery requests — in the preparation of the case against them. Under all the circumstances, including the likely impact of this order on other pending litigation in federal and state courts, petitioners submit that the action of the Minnesota courts deprives them of fundamental fairness and due process of law.

A. The Databases Are Clearly Protected Against Disclosure By The Work Product Doctrine

The protection of attorney work product was formally recognized by this Court in *Hickman* and was subsequently codified in Rule 26 of the Federal Rules of Civil Procedure and in the court rules or case law of every state, including Minnesota. It has deep roots in the common law. *See* W. Blake Odgers, *Principles of Pleading Practice and Procedure in Civil Actions in the High Court of Justice* 238 (3d ed. 1897); J. Anderson, *et al.*, *The Work Product Doctrine*, 68 Cornell L. Rev. 760, 766 (1983). This Court has recognized the protection of attorney work product to be a fundamental element of our adversary system. *Hickman*, 329 U.S. at 510-11. Minnesota Rule of Civil Procedure 26.02(c), like the federal rule and the rules of other states, provides, at a

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[1] No appellate court has ever, to petitioners' knowledge, upheld an order requiring the broad production of the type of work product at issue here.

minimum, for protection of material prepared in anticipation of litigation absent a showing of "substantial need" and an inability "without undue hardship to obtain [it] by other means." *See Dennie v. Metropolitan Medical Center*, 387 N.W.2d 401, 406 (Minn. 1986).

The compelled disclosure of petitioners' databases is unjustifiable under this rule. The trial court reasoned that the disclosure should be compelled because "the masses of information on the database can be selected, accessed, and located more quickly and accurately by computer," and creation of a new database "would be duplicative, time-consuming, and costly." Pet. App. at 16a. But such a standard would be met whenever one party has gone to substantial expense and effort to develop useful litigation tools. A well-designed database drawn from one party's significant documents is always going to be convenient and helpful to the opposing party in "select[ing], access[ing], and locat[ing]" information. And the larger and more complex the body of material referenced in the database, the more "time-consuming and costly" it will be to create a practical equivalent. Accordingly, the court below has enunciated a standard that, if applied consistently, would eliminate the work product protection for all computerized litigation databases.

The obvious error of the decision below is in its interpretation of the "substantial need" requirement under the work product doctrine. As stated in *Hickman*, an attorney's work product may be discovered only if it consists of "facts . . . *essential* to the preparation of one's case." 329 U.S. at 511 (emphasis added). The showing of need must be particularized, not general in nature. *United States v. Chatham City Corp.*, 72 F.R.D. 640, 644 (S.D. Ga 1976). A party's conclusory allegations that it would be burdensome to obtain the material by other means do not suffice. *United States v. Lipshy*, 492 F. Supp. 35, 47 (N.D. Tex. 1979). In *Hickman*, the Court recognized that, in some circumstances, work product containing facts that are otherwise unavailable — *e.g.*, the statement of a witness since deceased — might be discoverable upon a sufficient showing of substantial need. 329 U.S. at 511. But where the relevant evidence is

otherwise available, the work product doctrine bars production of an attorney's trial preparation material. *E.g.*, *Rauh v. Coyne*, 744 F. Supp. 1181, 1185 (D.D.C. 1990) (no substantial need for interview papers where plaintiffs have option to question all witnesses themselves). Clearly, the "substantial need" requirement is not met where, as here, the disputed material does not even contain potential evidence, but is rather a tool for working with a body of discoverable and non-discoverable documents.

Nor does any claimed disparity in the parties' resources justify the abrogation of work product protection. The Court in *Hickman* explained:

> [F]raming the problem in terms of assisting individual plaintiffs in their suits against corporate defendants is unsatisfactory. Discovery concededly may work to the disadvantage as well as to the advantage of individual plaintiffs . . . . And we must view the problem in light of the limitless situations where the particular kind of discovery sought by petitioner might be used.

329 U.S. at 507; *see also Schlagenhauf v. Holder*, 379 U.S. 104, 113 (1964) ("Issues cannot be resolved by a doctrine of favoring one class of litigators over another").

B. The Retroactive Refusal To Recognize The Work Product Protection Affects Interests So Fundamental As To Amount To A Violation Of Due Process.

The compelled disclosure of the litigation databases at issue here goes to the heart of the concerns on which the work product protection is based. In *Hickman*, this Court explained that work product protection is vital to a lawyer's effective representation of a client in litigation:

> [I]t is essential that a lawyer work with a certain degree of privacy, free from unnecessary intrusion by opposing parties and their counsel. Proper preparation of a client's case demands that he assemble information, sift what he considers to be the relevant from the irrelevant facts, prepare his legal

> theories and plan his strategy without undue and needless interference.

Id. at 510-511. Where efforts undertaken in preparation for litigation are subject to disclosure to one's adversary, the "attorney's thoughts . . . [are not] his own." *Id.* at 511.

A court's denial of work product protection — especially in circumstances where, as here, such protection clearly applies — has a devastating impact on litigants. Materials prepared at substantial expense, in preparation for litigation and in reliance on the established rule, thus become subject to use by opposing parties. An order to disclose a party's litigation tools invades the zone of privacy so necessary for parties to evaluate fully their positions and perform effectively in litigation. *Jordan v. Department of Justice*, 591 F.2d 753, 775 (D.C. Cir. 1978) (en banc) (the purpose of the work product rule is "to encourage effective legal representation *within the framework of the adversary system* by removing counsel's fears that his thoughts and information will be invaded by his adversary"), *overruled in part on other grounds, Crooker v. BATF*, 670 F.2d 1051 (D.C. Cir. 1981) (en banc). Equally seriously, when a party's litigation tools must be made available to its opponents, the party is conscripted to aid its opponents in prosecuting their claims.

The ruling of the trial court is thus in the nature of a retroactive change in the law affecting important interests. Such changes are "not favored in the law" when they are made by a legislature. *Bowen v. Georgetown Univ. Hosp.*, 488 U.S. 204, 208 (1988). The Ex Post Facto Clauses, U.S. Const. art. I, § 9, cl.3, § 10, cl.1, flatly prohibit the retroactive imposition of criminal liability, and the presumption is very strong that a civil statute was not meant to act retrospectively. *Landgraf v. USI Film Products*, 114 S.Ct. 1483, 1505 (1994). This Court has recognized that, while judicial decisions ordinarily apply retroactively, ex post facto and due process concerns may, in an appropriate case, constrain a court from retroactively applying a radical new construction of a statute. *See, e.g., Bouie v. City of Columbia*, 378 U.S. 347, 353-54 (1964) ("If a state legislature is

barred by the *Ex Post Facto* Clause from passing [a law that would retroactively expand criminal liability], it must follow that a State Supreme Court is barred by the Due Process Clause from achieving precisely the same result by judicial construction."); *see also Marks v. United States*, 430 U.S. 188, 191-92 (1977).

The state courts' wholesale rewriting of the rules of procedure in the middle of a major lawsuit also raises such concerns. "[T]raditional practice provides a touchstone for constitutional analysis." *Honda Motor Co. v. Oberg*, 114 S.Ct. 2331, 2339 (1994) (citing *Murray v. Hoboken Land & Improvement Co.*, 59 U.S. (18 How.) 272 (1856); *Tumey v. Ohio*, 273 U.S. 510 (1927); *Brown v. Mississippi*, 297 U.S. 278 (1936); *In re Winship*, 397 U.S. 358 (1970); *Burnham v. Superior Ct. of Calif.*, 495 U.S. 604 (1990); *Pacific Mut. Life Ins. Co. v. Haslip*, 499 U.S. 1 (1991)). The "abrogation of a well-established common law protection against arbitrary deprivations of property raises a presumption" that due process is violated. *Honda Motor Co.*, 114 S.Ct. at 2339. Accordingly, when a court alters a longstanding and universally-recognized protection against disclosure of trial preparation materials in which one side has invested many millions of dollars, a significant due process issue is presented.

Further, in the unique circumstances of the smoking and health litigation pending in many courts across the country, the effects of the Minnesota courts' action go far beyond this case. Because the trial court's standing protective order in this case provides a mechanism by which these databases may be shared with counsel in hundreds of cases pending in state and federal courts throughout the country,[2] the resulting denial of fundamental

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[2] The probable impact of the Minnesota courts' resolution of this issue upon the litigation of cases pending in federal court is an important additional consideration calling for review by this Court. Among the smoking and health lawsuits pending in federal court are *Castano v. American Tobacco Co., et al.*, No. 95-30725 (5th Cir.) (appeal of class certification order); *Commonwealth of Massachusetts v. Philip Morris,*

fairness must be viewed as transcending the boundaries of this case. This Court's attention is therefore commanded by the need to correct an error of constitutional proportions, which is otherwise likely to infect the course of litigation involving an entire industry for years to come.[3]

II. THE COURT SHOULD DECIDE WHETHER THE TAKING CLAUSE BARS THE COMPULSORY AND UNCOMPENSATED SHARING WITH AN OPPOSING PARTY OF NON-EVIDENTIARY LITIGATION TOOLS DEVELOPED AT GREAT EXPENSE SOLELY FOR USE IN LITIGATION

The trial court's order requiring petitioners to turn over their multi-million-dollar litigation databases to respondents, their adversaries in this litigation, effects an uncompensated "taking" prohibited by the Fifth Amendment. This conclusion is compelled by *Ruckelshaus v. Monsanto Co.*, 467 U.S. 986 (1984), which held that information that a party has developed at great expense and kept confidential from others is "property" that cannot, consistent with the Taking Clause, be appropriated without compensation.

It is also supported by federal and state case law and court rules that protect from discovery the work product created by lawyers for the sole purpose of more effectively representing their clients in litigation. *Hickman*, and the subsequent case law and

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Inc., et al., Civ. Action No. 96-10014-GAO (D.Mass.), and *State of Texas v. The American Tobacco Co., et al.*, Civ. Action No. 5-96CV91 (E.D. Tex.).

[3] This case does not present the question whether due process would foreclose a state from prospectively changing or abandoning the work product rule. While such an action would force parties to work "in a fish bowl," and thus alter fundamentally the thoroughness and character of their trial preparation efforts, the issue presented on these facts is much more troubling because it involves the compelled sharing of extensive materials created in reliance on the existing rule.

court rules embodying its rationale, have given rise to an expectation by litigants and their counsel that certain property — the litigation tools created by counsel — may be preserved for their own use and not shared with their adversaries. These expectations are destroyed when a court orders that property to be provided to an adversary without compensation, to help the adversary in pursuing its case. *See Monsanto*, 467 U.S. at 1005.

A. The Taking Clause Applies To A Court's Taking Of A Litigant's "Property" Without Compensation.

The Taking Clause of the Fifth Amendment prohibits the government from taking private property without just compensation. This limitation has long applied to the states through the Due Process Clause of the Fourteenth Amendment. *Chicago, B. & Q. R.R. v. Chicago*, 166 U.S. 226, 249 (1897); *Webb's Fabulous Pharmacies, Inc. v. Beckwith*, 449 U.S. 155, 160 (1980).

This Court has recognized that the Taking Clause reaches acts of the judicial branch. *See Chicago, B. & Q. R.R.*, 166 U.S. at 239; *Hughes v. Washington*, 389 U.S. 290, 298 (1967) (Stewart, J., concurring) ("the Fourteenth Amendment forbids such confiscation by a State, no less through its courts than through its legislature"). As this Court explained nearly a century ago:

> In our opinion, a judgment of a state court, even if it be authorized by statute, whereby private property is taken for the state or under its direction for public use, without compensation made or secured to the owner, is, upon principle and authority, wanting in the due process of law required by the Fourteenth Amendment of the Constitution of the United States, and the affirmance of such judgment by the highest court of the State is a denial by that State of a right secured to the owner by that instrument.

Chicago, B. & Q. R.R., 166 U.S. at 241; *cf. Shelley v. Kraemer*, 334 U.S. 1, 16-18 (1948) (Fourteenth Amendment is violated by state court's enforcement of racially restrictive covenants).

This Court has never addressed how the Taking Clause may apply, if at all, to the court-ordered disclosure of information during discovery. Under the rationale of this Court's decision in *Monsanto*, however, the Taking Clause should apply to the compelled discovery of certain categories of information in which a party had a reasonable expectation of privacy.

Indeed, a number of lower federal courts have suggested that discovery may, in some circumstances, effect an unconstitutional "taking."[4] Such a conclusion is difficult to resist, given *Monsanto's* recognition of "informational" property, and the substantial investments made by litigants, like petitioners here, in the development of such property for use in litigation:

> [I]n today's world, informational property constitutes one of the most rapidly growing types of property. Clearly, our present approach to discovery can result in a prohibited taking of informational property without compensation.

Gregory Gelfand, *"Taking" Informational Property Through Discovery*, 66 Wash. U.L.Q. 703, 743-44 (1988).[5]

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[4] *See, e.g., Grundberg v. Upjohn Co.*, 140 F.R.D. 459, 464 (D. Utah 1991) ("Production of such discovery documents could violate plaintiffs' rights to due process of law and may constitute a taking of private property for public use without just compensation."); *Arkwright Mut. Ins. Co. v. National Union Fire Ins. Co.*, 148 F.R.D. 552, 557 (S.D. W. Va. 1993) ("'Arguably the compulsion to testify can be regarded as a *"taking" of intellectual property*.'") (quoting Fed. R. Civ. P. 45(c)(3)(B)(ii) Advisory Committee's Note for 1991 Amendment); *see also St. Jude Medical, Inc. v. Intermedics, Inc.*, 107 F.R.D. 398, 400-01 (D. Minn. 1985); *Pearl Brewing Co. v. Joseph Schlitz Brewing Co.*, 415 F.Supp. 1122, 1138 (S.D. Tex. 1976); *United States v. 364.82 Acres of Land, More or Less*, 38 F.R.D. 411, 415-16 (N.D. Cal. 1965).

[5] *See also* Note, *Trade Secrets in Discovery: From First Amendment Disclosure to Fifth Amendment Protection*, 104 Harv. L. Rev. 1330, 1331-32 (1991).

Petitioners submit that the discovery rules cannot, consistent with the Taking Clause, be used to redistribute litigation assets between opposing parties. Just as a court cannot constitutionally require a litigant to share his attorneys' offices, clerical staff, and library with his opponent's attorneys — especially for free — a court should not constitutionally be able to require a litigant to share the databases in which it has invested millions of dollars solely for the purpose of use in litigation. Such an abrogation of a party's property interest in the exclusive use of the databases amounts to a "taking," which is unconstitutional unless accompanied by the payment of compensation.

B. Petitioners' Interest In Their Databases Is "Property" Under This Court's Decisions.

There can be no doubt that petitioners have a protectable property interest in their own computerized work product databases. Respondents never claimed otherwise below. Nor could they. Petitioners made the decision, in consultation with their attorneys, that the databases were to be created; they directed their attorneys to create them; and they invested the resources necessary to do so.

This Court has recognized, moreover, that information owned by a party — particularly information that the owner maintains as confidential and from which the owner excludes others — is property within the meaning of the Taking Clause. *See Monsanto*, 467 U.S. at 1003 ("intangible property rights protected by state law are deserving of the protection of the Taking Clause"). In *Monsanto*, the company had expended millions of dollars to develop the information at issue, which was valuable to the company in developing products and which "would also be valuable to Monsanto's competitors." *Id.* at 998. Monsanto had therefore "instituted stringent security measures to ensure the secrecy of the data." *Id.*

As in *Monsanto*, petitioners have expended millions of dollars to develop their litigation support databases. Also as in *Monsanto*, petitioners "instituted stringent security measures to ensure the secrecy" of the databases, which would be

extraordinarily valuable to petitioners' "competitors" in litigation. The databases are thus clearly "property" for purposes of the Taking Clause.

This conclusion is confirmed by the Court's decision in *Carpenter v. United States*, 484 U.S. 19 (1987), which observed, citing *Monsanto*, that "[c]onfidential business information has long been recognized as property." *Id.* at 26. The Court further stated:

> Confidential information acquired or compiled by a corporation in the course and conduct of its business is a species of property to which the corporation has the exclusive right and benefit, and which a court of equity will protect through the injunctive process or other appropriate remedy.

Id. (quoting 3 W. Fletcher, Cyclopedia of Law of Private Corporations, § 857.1, at 260 (rev. ed. 1986)).

No less than the material at issue in *Monsanto* and *Carpenter*, the databases here are a species of protected property.

C. The Trial Court's Order Compelling Disclosure Of The Databases Constitutes A Taking Under This Court's Decisions.

This Court has considered three factors to be of "particular significance" in assessing whether a "taking" has occurred within the meaning of the Fifth Amendment: "the character of the governmental action," "the economic impact of the [action] on the claimant," and the extent to which that action interferes with the claimant's "investment-backed expectations." *Connolly v. Pension Benefit Guaranty Corp.*, 475 U.S. 211, 224-25 (1986) (citations and internal quotations omitted). All of these factors strongly suggest that a "taking" has occurred here.

First, the trial court's order interferes with petitioners' reasonable "investment-backed expectations." *Connolly*, 475 U.S. at 224-25. Petitioners created the litigation databases with the expectation — based squarely on the work product doctrine long recognized in essentially the same form in the state and

federal courts — that the databases, as non-evidentiary analytical tools, would be completely immune from discovery. Petitioners protected that expectation by carefully guarding the confidentiality of the databases against access by third parties (or, indeed, against anyone other than petitioners' counsel and those working under their direction).

Petitioners' expectation that the databases would remain confidential plainly meets the requirement of reasonableness. *See, e.g., Monsanto*, 467 U.S. at 1005-06. Respondents do not dispute, and the trial court expressly found, that the databases were created by counsel in connection with litigation. The databases are thus classic attorney work product meriting protection under *Hickman* and its progeny in Minnesota and elsewhere. *See, e.g., Brown v. St. Paul City Ry.*, 62 N.W.2d 688, 701 (Minn. 1954) (Minnesota work product rule "was added to allay the fears of the bar that the privacy of the lawyer's file could be invaded") (citing *Hickman*). The trial court's stated justification for compelling disclosure — to enhance respondents' ability to work with petitioners' document without requiring creation of a similar database — plainly falls short of justifying an exception to the rule.

Second, the trial court's order has a severe economic impact on petitioners. It is undisputed that petitioners have spent, altogether, tens of millions of dollars to create the litigation databases for the private use of their counsel. Much of the value of that investment will be lost if the databases must be provided free to respondents. *Monsanto* recognized as much in similar circumstances. In that case, the Court reasoned that the disclosure of Monsanto's confidential information would destroy "the competitive advantage it gives [Monsanto] over competitors" and, therefore, constitute a "taking." *Monsanto*, 467 U.S. at 1012 n.15. Similarly, here, the databases are valuable to petitioners because, among other things, they enable petitioners to "compete" more effectively in litigation.

Third, the trial court's order has the character of a wholesale abrogation of petitioners' "right to exclude" others from their

property — a right "universally held to be a fundamental element of the property right." *Kaiser Aetna v. United States*, 444 U.S. 164, 179-80 (1979); *see also Hendler v. United States*, 952 F.2d 1364, 1374 (Fed. Cir. 1992) ("In the bundle of rights we call property, one of the most valued is the right to sole and exclusive possession — the right to *exclude* strangers, or for that matter friends, but especially the Government.") (citing *Nollan v. California Coastal Comm'n*, 483 U.S. 825, 831 (1987)). As stated by Justice Brandeis, "[a]n essential element of individual property is the legal right to exclude others from enjoying it." *International News Service v. Associated Press*, 248 U.S. 215, 250 (1918) (dissenting opinion).

For all practical purposes, the loss of this right to exclude others from utilizing these databases appears to be permanent. *See Connolly*, 475 U.S. at 225 (noting significance of whether government's action "permanently appropriate[s]" claimant's property rights). The trial court's protective order explicitly contemplates that discovery material may be shared with counsel in other pending cases, all but assuring its broader dissemination.

In sum, under the three-factor analysis ordinarily employed by the Court in Taking Clause cases, a "taking" of property must be deemed to have occurred here.[6] This Court's intervention is needed in order to clarify whether this analysis, or some other

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[6] Petitioners do not contend that such a "taking" occurs whenever a party is required to produce any kind of attorney work product. Allowance of discovery under the rule upon a showing of "substantial need" and "undue hardship," *see, e.g.*, Fed. R. Civ. P. 26(b)(3); Minn. R. Civ. P. 26.02(c), is likely to be limited in nature and focused on the unavailability of particular evidentiary information other than by disclosure of work product. Compulsion of such a limited disclosure of work product material as necessary to provide access to relevant evidence will be easily sustainable against takings challenges, based on the usual examination of the character of the governmental action, the economic impact, and any interference with reasonable investment-backed expectations.

analysis, is applicable when the "taking" occurs in the course of pre-trial discovery.

D. The Trial Court's Order Effects An Unconstitutional "Taking" Because No Compensation Has Been Paid.

A "taking" by the government of private property is prohibited by the Constitution unless compensation, or a method to seek compensation, is provided. *See Monsanto*, 467 U.S. at 1016. Here, the trial court has not directed respondents to compensate petitioners for the litigation databases; rather, the court's order contemplates quite the contrary. *See* Pet. App. at 16a (respondents are entitled to acquire a database "without . . . the accompanying delays and expenses" of creating one). Nor have respondents pointed to any practicable and realistic means for seeking compensation. There is no such means other than raising the takings issue at every level of the process, as petitioners have done.[7] Given that respondents' share of the costs of creating the databases would run in the millions of dollars, the databases cannot be "taken" and given to respondents unless, and until, the trial court orders a fair amount of compensation and respondents agree to pay that amount.

No reason exists to deny compensation simply because the "taking" occurs as part of the discovery process. The Minnesota Rules of Civil Procedure, like the Federal Rules on which they are based, reflect an understanding that compensation must be paid when private property is appropriated through discovery. For example, when one side has retained an expert who is not expected to testify at trial, the other side cannot discover the facts known or opinions held by the expert, unless exceptional circumstances exist. In those circumstances where discovery is permitted, the party seeking such discovery must not only pay the expert for his or her time required to respond to such discovery, but also must "pay the other party a fair portion of the fees and

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[7] This is not a case where there is a clearly established statutory procedure for the owner to obtain just compensation. *Cf. Monsanto*, 467 U.S. at 1016-17.

expenses reasonably incurred by the latter party in obtaining facts and opinions from the expert." Minn. R. Civ. P. 26.02(d)(3)(A), (B); Fed. R. Civ. P. 26(b)(4)(C)(i), (ii). These provisions for fees and expenses were included in the rules precisely to meet the objection that it is unfair "to permit one side to obtain without cost the benefit of an expert's work for which the other side has paid, often a substantial sum." Advisory Committee Note to 1970 Amendments to Rule 26 (citing *Lewis v. United Air Lines Transp. Corp.*, 32 F. Supp. 21 (S.D. Pa. 1940); *Walsh v. Reynolds Metal Co.*, 15 F.R.D. 376 (D.N.J. 1954)).[8]

Similarly, here, respondents should not, and constitutionally cannot, be allowed to obtain without cost the computerized litigation tools that petitioners paid substantial sums to create. It is important that this Court provide guidance to the lower courts on the limits imposed by the Taking Clause on discovery orders such as the one below.

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[8] The rules' concern with avoiding uncompensated takings through discovery is also reflected in the provisions governing subpoenas of unretained experts. As stated in the Advisory Committee Note on the 1991 Amendment to Federal Rule of Civil Procedure 45:

> [C]ompulsion to give evidence may threaten the intellectual property of experts denied the opportunity to bargain for the value of their services. Arguably the compulsion to testify can be regarded as a "taking" of intellectual property. The rule [as amended] establishes the right of such persons to withhold their expertise, at least unless the party seeking it makes the kind of showing required for a conditional denial of a motion to quash as provided in the final sentence of subparagraph (c)(3)(B); *that requirement is the same as that necessary to secure work product under Rule 26(b)(3) and gives assurance of reasonable compensation.*

Advisory Committee Notes to Rule 45 (citations omitted) (emphasis added).

CONCLUSION

The petition for a writ of certiorari should be granted.

Respectfully submitted,

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April 5, 1996

APPENDIX

STATE OF MINNESOTA
IN SUPREME COURT

CX—95—2536

The State of Minnesota, by Hubert H. Humphrey, III, its Attorney General,

Plaintiff,

and

Blue Cross and Blue Shield of Minnesota,

Respondent,

vs.

Philip Morris Incorporated, et al.,

Petitioners,

B.A.T. Industries, P.L.C.,

Defendant

ORDER

Based upon all the files, records and proceedings herein,

IT IS HEREBY ORDERED that the petition of R.J. Reynolds Tobacco Company, et al. for further review be, and the same is, denied.

IT IS FURTHER ORDERED that the request of The Product Liability Advisory Council, Inc. and The Minnesota Chamber of Commerce to serve and file a brief as amicus curiae is accordingly denied.

Dated: February 27, 1996

BY THE COURT:

/s/ A.M. Keith
Chief Justice

[Filed Dec. 26, 1995]

STATE OF MINNESOTA
IN COURT OF APPEALS

The State of Minnesota, by
Hubert H. Humphrey, III,
its Attorney General,

Plaintiff,

and

Blue Cross and Blue Shield
of Minnesota,
Respondent,

vs.
Philip Morris, Inc., et al.,
Petitioners,

B.A.T. Industries, P.L.C.,
Defendant.

ORDER
#CX—95—2536

Considered and decided by Toussaint, Chief Judge, Randall, Judge, and Peterson, Judge.

BASED UPON THE FILE, RECORD AND PROCEEDINGS HEREIN, AND FOR THE FOLLOWING REASONS:

Petitioners seek a writ of prohibition or mandamus, for relief from a November 1, 1995 discovery order. The petition does not address the criteria for mandamus, and it appears that petitioners are seeking a writ of prohibition. Petitioners seek oral argument on the matter. Product Liability Council Inc. and Minnesota Chamber of Commerce move for acceptance of an amicus brief. The brief was submitted with the motion, and acceptance will not delay proceedings in this court.

To obtain a writ of prohibition, petitioners must establish that the district court has ordered disclosure of information that is clearly not discoverable. *Mampel v. Eastern Heights State Bank*, 254 N.W.2d 375, 377 (Minn. 1977). The district court is authorized to order discovery of work—product materials under certain circumstances. Minn. R. Civ. P. 26.02(c). The court made specific findings that (a) the computerized databases include fields containing objective information, (b) release of the specified information will not reveal the impressions, opinions, or theories of counsel, and (c) respondents have met the standards for disclosure. The district court found unpersuasive the petitioners' argument that the mere selection of documents for inclusion in the database would reveal attorney strategies.

After a review of the authorities cited by all parties, the specific findings made by the district court, and the documents submitted for in camera review, we conclude that petitioners have not met the standard justifying issuance of a writ of prohibition.

IT IS HEREBY ORDERED:

1. The petition for writ of prohibition is denied.

2. Petitioner's request for oral argument is denied.

3. The amicus brief is accepted and ordered filed.

Dated: December 26, 1995

BY THE COURT

/s/ E. Toussaint

Chief Judge

STATE OF MINNESOTA **DISTRICT COURT**

COUNTY OF RAMSEY **SECOND JUDICIAL DISTRICT**
FILE #C1—94—8565

The State of Minnesota
By Hubert H. Humphrey, III,
Its Attorney General, and
Blue Cross and Blue Shield
of Minnesota,

Plaintiffs,

vs.

Philip Morris Incorporated,
R.J. Reynolds Tobacco Company,
Brown and Williamson Tobacco Corporation,
B.A.T. Industries, P.L.C.,
Lorillard Tobacco Company,
The American Tobacco Company,
Liggett Group, Inc.,
The Council For Tobacco Research — U.S.A., Inc.,
and The Tobacco Institute,

Defendants.

ORDER

This matter came duly before the undersigned upon the Motion of defendants Philip Morris Incorporated, R.J. Reynolds Tobacco Company, Brown & Williamson Tobacco Corporation, Lorillard Tobacco Company, and The American Tobacco Company (herein the "Moving Defendants"), upon the Motion of defendant B.A.T. Industries p.l.c. (herein "B.A.T."), upon the Motion of defendant Liggett Group, Inc. (herein "Liggett"), upon the Motion of defendant The Council for Tobacco Research — U.S.A., Inc. (herein "CTR"), and upon the Motion of The Tobacco Institute, Inc. (herein "Institute").

WHEREAS, on August 2, 1995, pursuant to Paragraph 4A of this Court's Order dated July 14, 1995, and filed July 17, 1995, plaintiff State of Minnesota (hereafter "Minnesota") submitted to

the Court its then existing working litigation index for *in camera* review; no other party submitted such an index at that time;

WHEREAS, pursuant to this Court's Order dated August 10, 1995, Minnesota produced its updated existing working litigation index for *in camera* review, seeking to redact certain portions of the index before its release to the defendants, claiming such portions were protected by the work product privilege;

WHEREAS, plaintiff Blue Cross and Blue Shield of Minnesota represented that it does not have any existing index;

WHEREAS, pursuant to this Court's Order dated August 10, 1995, and in accord with the letter agreement dated August 23, 1995, Liggett, Institute, and CTR have each produced materials, including affidavits, for *in camera* review, requesting protective orders;

WHEREAS, pursuant to this Court's Order dated August 17, 1995, and in accord with the letter agreement dated August 23, 1995, Moving Defendants and each of them produced exemplar discs, sealed affidavits, and other materials with respect to certain existing litigation indices or databases for *in camera* review, requesting protective orders;

WHEREAS, pursuant to certain Stipulated Orders of August 18, 1995, and September 6, 1995, reflecting agreement reached by B.A.T. and plaintiffs with respect to B.A.T.'s indices and databases, B.A.T. has produced exemplar discs, sealed affidavit, and other materials for *in camera* review, requesting a protective order;

WHEREAS, the parties came before this Court on September 12, 1995, and the Court entertained arguments with respect to these matters;

WHEREAS, the defendants have provided additional information in the form of memoranda to the Court, pursuant to its directive issued September 12, 1995, with respect to the databases;

Based on the files, records, submissions, memoranda, arguments, and representations of counsel

IT IS HEREBY ORDERED:

1. The indices and databases provided to the Court in this matter for its *in camera* review are not in their entireties protected from production under the work—product doctrine. Subjective portions only of said indices and databases are protected from production. Accordingly, the motions are DENIED in part and GRANTED in part, as is further detailed below.

2. Defendants' motions for leave to file under seal, *in camera*, and *ex parte* affidavits containing factual evidence in support of their motions for a work product determination and protective order are hereby GRANTED.

3. Moving Defendants' request for an *in camera, ex parte* hearing in respect to this matter is DENIED.

4. **Minnesota** may redact from their index, as provided to this Court, all information contained in the column or field entitled "Comments;" and it shall then produce[1] its index, as redacted, to defendants.

5. Moving Defendants may redact form their indices or databases, as provided to this Court, all information contained in columns or fields EXCEPT that information contained in the fields identified below, and each shall then produce[2] its indices, as redacted, to plaintiffs:

A. **Philip Morris Incorporated** shall release the following fields:

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[1] For purposes of this Order, production of indices shall be in the form of ASCII or WordPerfect 5.0/5.1 documents on 3.5 inch disk only and shall take place not later than two weeks form the date of implementation of this Order.

[2] See footnote 1 *supra*.

SHB Database:

Document ID, Master ID, Other Number, Document Date, Primary Type, Other Type, Person Author, Person Recipient, Person Copied, Person Mentioned, Person Attending, Person Noted, Organization Author, Organization Recipient, Organization Copied, Organization Mentioned, Organization Attending, Organization Noted, Mentioned Brand File Name, Site, Area, Verbatim Title

ABC Database:

Starting and Ending Bates Numbers, Date, Title, Document Type, Author, Addressee, Copyee, Source, File

A&P Database:

Source, Document Number, Attachment Range, Document Date, Document *Types 05 through 15 only*, Title, To/Addressee — Personal Names, To/Addressee — Organizational Names, From/Author — Personal Names, From/Author — Organizational Names, Copyee — Personal Names, Copyee — Organizational Names

B. **R.J. Reynolds Tobacco Company** shall release the following fields:

Litigation Database:

Addressee, Attachments, Author, Brand Names, Copyee, Doc Date, Doc ID #, Doc Type, Mentioned Names, Page Length, Referenced Doc, RJR Intnl Docs, Source, Split Record, Title

DMS Database:

Counsel represents that all documents in this database are included in the Litigation Database, thus this database need not be produced.

Additives Database:

Counsel represents that all documents in this database are included in the Litigation Database; this database, however, contains eight additional fields. Release Additive Brands, Additive Name, Pesticide Name, and Other Brands in addition to those fields listed for Litigation Database, above.

Camel Congressional Investigations Database:

All documents in this database are included in the Litigation Database, thus this database need not be produced.

Premier Database:

75% of the documents in this database are included in the Litigation Database, thus of the 25% which is not included, the following shall be released: Addressees AFF, Attachment(s), Authors AFF, Brand(s), Copyees, Doc ID #, Document Type, Item Date, Other Names, Source, Title.

Outside Attorney Database:

Addressee, Attachments, Author, Brand Names, Copyee, Doc ID #, Doc Type, Item Date, Other Name, Source, Title

R.J. Reynolds Tobacco Company shall also address the following discrepancies by *in camera* memorandum to the Court within three (3) days of this order:

1. McKim's Affidavit identifies two fewer fields for the Litigation Database (see Exh I) than Parker's Affidavit (P. 5, para. 8.).

2. McKim's Affidavit identifies six fewer fields for the DMS Database (see Exh J) than Parker's Affidavit (p. 10, para. 16).

3. McKim's Affidavit identifies one fewer field for the Additives Database (see Exh K) than Parker's Affidavit (p. 12, para. 23).

4. McKim's Affidavit identifies two fewer fields for the Camel Database (see Exh L) than Parker's Affidavit (P. 14, para. 30).

C. **Brown & Williamson Tobacco Corporation** shall release the following fields:

Litigation Database:

Document Identification Number, Document Date, Objective Date, Document Type, Primary Document Type, Secondary Document Type, Personal Names/Organizations, Recipient, Originator, Copyee, Mentioned, Forwarded To, Owner of Document, Attendee, File Folder Name, Area/Sub—Area Name, Brand Names, Verbatim Title, Substances, Substances No Code, Diseases

Stolen Database (Exhibits G & H):

DocID, Date, File, Type, To, From, Orig, Title (V)erbatim only (i.e., may redact Title Inferred)

D. **Lorillard Tobacco Company** shall release the following fields:

Document ID, Master ID, Other Number, Document Date, Primary Type, Other Type, Person Author, Person Recipient, Person Copied, Person Mentioned, Person Attending, Person Noted, Organization Author, Organization Recipient, Organization Copies, Organization Mentioned, Organization Attending, Organization Noted, File Name, Site, Area, Verbatim Title, Mentioned Brand

E. **The American Tobacco Company** shall release the following fields:

Exhibit A:

DOCNO, DATE, TITLE, TYPE, AUTHOR, RECIP, COPIES, PERSONS, BRANDS, PAGES, ATTACH, DRAFT, COMPS, ORGS

Exhibit B:

DOC_TYPE, BEGIN_DOC END_DOC,TITLE, DESCRIPTION, AUTHOR, ADDRESSEE, COPIED, MENTION, DOC_DATE, ATTACHMENT, DRAFT

Exhibit C:

BEGIN_BATE, END_BATE, RENUMBERED, DOCNO, DATE, TITLE, TYPE, AUTHOR, RECIP, COPIES, PERSONS, BRANDS, PAGES, ATTACH, DRAFT, COMPS, ORGS

Exhibit D:

BOXNO, BARCHNO, PAGESTART, PAGEEND, YRSTART, YREND, BLUESTART, BLUEEND, DATE, AUTHOR, RECIPIENT, PAGECOUNT

Exhibit E:

PAGENO, PAGESTART, PAGEEND, BLUESTART, BLUEEND, PAGECOUNT, YRNUMBER

Exhibit F:

BOX_NUMBER, BATCH_NO, START_PAGE, END_PAGE, BLUE_START, BLUE_END, DATE, AUTHOR, RECIPIENT, PAGE_COUNT, LOOSE

Exhibit G:

START_DATE END_DATE, DOC_TYPE, AUTHOR, RECIPIENT, TITLE, PERS_COPIED, COMP_COPIED, NUMBER_PAGES, ATTACHMENT, PERSONS, COMPANIES, SUBJECTS, ATCO_FILES

Exhibit H:

Counsel represents that this exhibit contains portions of Exhibit B — Produce all information in fields listed at Exhibit B above.

Exhibit I:

Counsel represents that this exhibit contains portions of Exhibit C — Produce all information in fields listed at Exhibit C above.

Exhibit J:

Counsel represents that this exhibit contains portions of Exhibit G — Produce all information in fields listed at Exhibit G above.

Exhibit K:

This exhibits appears to merely list all field names already identified in Exhibits A through G. Accordingly, this summary need not be produced.

6. **Liggett** may redact from its index or database all information contained in columns or fields EXCEPT that information contained in the fields identified below, and it shall then produce[3] its index, as redacted, to plaintiffs:

Document Number, End Number, Date, Type, Author, Recipient, Name Mentioned

7. **CTR** may redact from its indices or databases all information contained in columns or fields EXCEPT that information contained in the fields identified below and shall then produce[4] its indices, as redacted, to plaintiffs:

Debevoise Database:

Authors, Recipients, Copyees, Document Date and Date Qualifier, Title, Primary Doc, Primary Doc and Secondary Doc, Attendee, Mentioned Names, Brand Names and Reference Brands, Doc Range, Original Doc ID, Custodian, Doc ID

Special Projects Publications Database: Publ, Recip

8. **Institute** may redact from its index or database all information contained in columns or fields EXCEPT that

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[3] See footnote 1 *supra*.

[4] See footnote 1 *supra*.

information contained in the fields identified below and shall then produce[5] its index, as redacted, to plaintiffs:

PREFIX, BPROD, BSUFFIX, EPROD, OPROD, DATE, AUTHOR, ADDRESSEE, COPY, PLACE, TYPE, NAMES, COPY

9. **B.A.T.** and plaintiffs have already reached agreement with respect to certain objective fields of B.A.T.'s REVA database, and B.A.T. has begun and shall continue production of the following fields of information from its REVA database:

Site, LWD File Number, R&DC File Number, File Title, Start Date, Finish Date, Location, Owner, Original File User, Projects, Reports, Pagination.

B.A.T. may redact all other fields of information contained in its REVA database. As plaintiffs agree not to seek production of the CDIS database at this time, this Court need not address whether and to what extent the CDIS database is privileged.

10. Those fields of information redacted from each index pursuant to this Order need not be listed in a privilege log nor must each such index be marked as redacted in the location of the document where it is redacted. Any redactions other than those ordered herein, however, shall comply with the terms of the Case Management Order entered in this action.

11. This order, with respect to production of materials submitted *in camera*, shall be stayed for thirty (30) days from the date of filing. In the event the parties or any of them shall pursue appellate remedies within such thirty (30) day period, such stay shall be extended until the parties have exhausted their available appellate remedies. No party need produce to opposing counsel any materials submitted *in camera* until such stay has terminated.

12. Upon termination of such stay, all materials submitted to this Court *in camera* which remain in this Court's possession or

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[5] See footnote 1 *supra*.

under its control shall be returned to the submitting parties. Counsel may make arrangements with the Court's clerk to obtain their respective submissions.

13. The Memorandum attached hereto is incorporated herein.

DATED: November 1, 1995

/s/ Kenneth J Fitzpatrick

Kenneth J. Fitzpatrick
CHIEF JUDGE

MEMORANDUM

As a part of its Case Management Order dated March 29, 1995, this Court ordered the parties to produce existing indices, if any, of documents relative to the subject matter of this action. (See Case Management Order filed March 30, 1995, para. D.5.) Each party claiming that an existing index contained subjective information protected by attorney—client or work product privilege was ordered to submit the index to the Court for *in camera* inspection and determination. (See July 17, 1995, Order, para. 4.A, and August 10, 1995, Order.) Five defendants, namely the "Moving Defendants" identified in the Order attached hereto, sought modification of that Order, claiming that production of full copies of all existing indices would be unduly burdensome due to the millions of documents such indices identified. Moving Defendants' motion was granted and they were allowed to comply with the August 10, 1995, Order by providing exemplar discs of portions of each existing index. (See August 17, 1995, Order.) Defendant B.A.T. Industries, plc. ("B.A.T.") and plaintiffs came to agreement with respect to B.A.T.'s indices, and Stipulated Orders reflecting their agreement were filed August 18, 1995, and September 6, 1995. Accordingly, all parties produced indices or exemplar indices to the Court for *in camera* review, seeking protection from discovery of all or part of each index.

The scope of discovery is, by definition, very broad. As set forth in the Minnesota Rules of Civil Procedure:

> Parties may obtain discovery regarding *any matter*, not privileged, which is relevant to the subject matter involved in the pending action... including the existence, description, nature... and location of any books, documents, or other tangible things and the identity and location of persons having knowledge of any discoverable matter. It is not ground for objection that the information sought will be inadmissible at trial if the information sought appears reasonably *calculated to lead to* the discovery of admissible evidence.

Minn. R. Civ. P. 26.02 (1995) (emphasis added). Limitations, however, exist. Relevant here is the work product privilege for materials prepared in anticipation of litigation.

The parties state that the databases which contain the information from which each index is produced were prepared "in anticipation of litigation or for trial by or for another party or by or for that other party's representative." Minn. R. Civ. P. 26.02(3) (1995); see *Hickman v. Taylor*, 329 U.S. 495, 67 S. Ct. 385 (1947). This is undisputed. Accordingly, discovery of the database may be had only if the party seeking discovery shows "substantial need" of the materials to prepare the party's case and that the party is "unable without undue hardship to obtain the substantial equivalent of the materials by other means." *Id.* Further, once such a showing has been made, the Court must protect against disclosure of the mental impressions, conclusions, opinions, or legal theories of attorneys or other representatives concerning the litigation. *Id.* As discussed below, this Court has examined the arguments and materials submitted by the parties and finds that the proper showing has been made. Counsel have demonstrated that certain portions of the databases, however, reflect counsel's opinions and theories. Accordingly, this Court protects such opinion work product from discovery, ordering production of objective information only.

In this action, millions of documents must be reviewed to sieve the relevant documents from those that constitute the remainder of each party's universe of documents. Much of the reviewing has already taken place over the years by counsel for the parties in response to prior claims. Certain information was deemed relevant or important enough that counsel wished to be able to identify and locate it without undue burden. In many cases a computerized database was employed by counsel to list the hundreds and thousands of documents reviewed and keep track of the information. The masses of information on the database can be selected, accessed, and located more quickly and accurately by computer than by other processes and without duplication of effort.

The parties have disclosed that millions of pages of documents will be produced during discovery in response to discovery requests. For example, defendants have estimated that they will eventually produce 9,000,000 pages. If five attorneys were to devote 12 hours each per day, five days per week, to the task of reviewing those nine million pages — and limit their review to one minute per page — it would take nine years to review those documents alone. Creation of a new and separate database identifying the nine million documents would be duplicative, time consuming, and costly.

Because of the enormous volume of documents which may be relevant to the issues of this complex action, there is substantial need to utilize whatever technology exists to efficiently sort and identify documents. There is no equivalent substitute for the databases at this time. Via use of the existing databases, objective information can be produced regarding the millions of documents already entered onto the databases, without duplication of efforts and the accompanying delays and expenses. This Court finds that the required showing of substantial need and inability to obtain the equivalent without undue hardship has been met.

The Court, however, must protect against disclosure of attorney impression, opinions, and theories. A database in its entirety may reveal too much. The design of a database, its use, and detailed descriptions, as well as instructions and guidelines as to particular information to be extracted from documents to be coded, may reveal counsel's theories and mental impressions. *IBM Peripherals*, 5 Comp. Law Serv. Rptr. 878 (N.D. Cal. 1975). The computerized databases, in their entireties, therefore, shall not be disclosed to opposing counsel. Certain information contained within each database, however, does not reveal attorneys' mental impressions, strategies, opinions, or theories; it is not offered the same degree of protection from disclosure.

When reviewing a document for coding into a database, certain items or fields are determined to be important. Individual pieces of information selected for insertion on the database are objective, such as the date printed on a document, its author, its title, or its

recipient. Some fields are administrative, such as date reviewed, reviewer's/coder's name, date entered on the database, and duplicate check features. Some information entered is subjective, such as whether a document contains confidential information or trade secrets, whether a document could serve as strong evidence for or against a particular legal position, comments, etc. Where objective information may be disclosed without revealing mental impressions and without undue burden, the information does not merit protection.

This Court has examined the *in camera* submissions of the parties to factually evaluate the information contained in the various databases. The Court does not find persuasive defendants' argument that mere selection of documents for insertion onto the database reveals counsel's mental impressions, strategies, and thought processes. Counsel have selected thousands of documents to index, not "a few documents out of thousands." *Sporck v. Peil*, 759 F.2d 312, 316, *cert. denied*, 474 U.S. 903, 106 S.Ct. 232, 886 L.Ed.2d 230 (1985). Many of the databases at issue reference millions of documents and hundreds of subjects; they were created over a period of years for numerous lawsuits and potential claims. *Cf. Shelton v. American Motors Corp.*, 805 F.2d 1323, 1329 (8th Cir. 1986) (the Court protected an attorney from listing at deposition those documents "important enough to remember"). Unlike identifying a few significant documents out of thousands, the sheer number of the documents identified in the indexes at issue provide protection. Access to an opponent's index of thousands of documents gathered for litigation aids efficiency in discovery without revealing strategy. *Washington Bancorporation v. Said*, 145 F.R.D. 274, 277 (D.D.C. 1992). Not every piece of information in a list which may in some sense reveal counsel's mental impressions is protected as opinion work product. *In Re San Juan DuPont Plaza Hotel Fire Litigation*, 859 F.2d 1007, 1015 (1st. Cir. 1988) In many cases, the parties have themselves described certain fields of information as objective.

The Court has examined the numerous examples of the indices which were produced by the parties' databases and has determined

that fields containing objective information exist in each database, as do fields containing administrative and subjective information. The parties have each stated that it is possible without undue burden to produce an index from each database that contains certain selected fields while protecting from disclosure other fields of information. This Court must protect from disclosure subjective and administrative information with respect to the databases which may reveal protected opinion work product. Accordingly, this Court orders that only the objective information contained in the fields identified in the Order attached hereto be produced to avoid inefficient, extended, expensive discovery to the extent possible.

The tools themselves, the databases in their entireties, are not discoverable. Certain forms of information produced by the tools, such as indices, are. The parties can produce indices of objective information on the millions of documents on their databases without revealing attorney opinion, mental impressions, strategies, or theories. Such indices are not protected opinion work product and, because their production will prevent duplication of time, effort, and expense in the discovery phase of this complex action, such indices are discoverable.